

# WRS Employer Annual Reconciliation and Reporting Reference Sheet

<b>Employee Periodic Transactions + Annual Report (A + B)</b>	<b>=</b>	<b>Monthly Retirement Remittance Reports (C + D)</b>	<b>Annual Action Code Descriptions</b>	
<b>Includes Transactions:</b>  <b>A. Reported to the WRS</b> <ul style="list-style-type: none"> <li>Earnings (by employment category) for periodic transactions as shown on the <b>Employee Transaction Report</b></li> <li>Earnings (by employment category) on the <b>Employee Suspended Transaction Report</b></li> </ul> <p style="text-align: center;"><b>+</b></p> <b>B. Not Reported to the WRS</b> <ul style="list-style-type: none"> <li>Earnings (by employment category) on the <b>Annual Transaction Report</b></li> <li>Earnings (by employment category) from any terminations not yet reported to the WRS</li> </ul>	<b>=</b>	<b>Includes Remittance Reports:</b>  <b>C. Reported to the WRS</b> <ul style="list-style-type: none"> <li>Earnings (by employment category) as shown on the <b>Remittance Reports by Month Report</b></li> </ul> <p style="text-align: center;"><b>+</b></p> <b>D. Not Reported to the WRS</b> <ul style="list-style-type: none"> <li>Earnings (by employment category) on the <b>December WRS Monthly Retirement Remittance Report</b></li> </ul>	<b>00</b> Used to report annual hours, earnings, and/or employee paid contributions (if applicable) for employees not terminated or not on leave of absence. The Action Date must be 12/31 of the year being reported (12/31/CCYY). *Also used for deemed earnings for employee on military leave*	
			<b>40</b> Used to report employees on an informal leave of absence with no annual earnings. The Action Date must be left blank and Last Earnings Date must be 12/31/CCYY. No hours and earnings are reported with this action code.	
			<b>50</b> Used to report employees on a military leave of absence at year-end and employer plans to retroactively report hours and earnings. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.	
			<b>51</b> Used to report employees on an unpaid leave of absence at year-end. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.	
			<b>53</b> Used to report employees on layoff at year-end. The Action Date must be left blank and Last Earnings Date listed. Any hours and earnings for the year must be indicated.	
			<b>80</b> Used to correct or adjust an incorrect action code 00 transaction on the annual report. Report <b>only</b> the amount of hours, earnings, and/or employee-paid contributions to be added or subtracted (only report the <b>difference</b> between what should have been reported and what was previously reported).	

## Potential Reconciliation Errors

### Monthly Remittance (ET-1515) Review:

- Are all 12 months of remittances submitted to ETF? Review for consistency and reasonability.
- Is there a difference in two or more employment categories that offset each other?
- Is there a debit amount for earnings from any Monthly Remittance and no corresponding credit amount for the same month?
- Were contributions on earnings calculated and paid for all eligible employees including new employees?
- Were contributions made in error for ineligible employees? Example: Employees initially eligible who end up working fewer than 30 calendar days. Did the employer take a credit?
- Were contribution amounts made in the appropriate category if an employee is eligible in multiple categories?
- Were non-reportable lump sum payments included in the calculations for contributions?
- Were contributions for employees on temporary or total disability (worker's compensation) included in the monthly remittance reports?
- Were there terminated employees in the beginning of the year? Were contributions made on their behalf?

### Employee Transactions Review:

- Has earnings data been verified for accuracy?
- Have all enrollments and transactions for newly eligible employees been submitted to ETF? Were earnings reported?
- Have earnings for employees receiving temporary or total disability (worker's compensation) been reported? Were actual earnings used, not disability payments?
- Were terminated employee earnings reported at the time of termination?
- Have there been terminations and rehires in the same year? If so, were the previously reported termination hours and earnings included in the annual earnings?
- Have there been hours and earnings reported as a result of a leave of absence periodic transaction being previously submitted and you have also included them on the annual report?
- Are terminations reported in the correct year (payroll lag)?
- Were there employees enrolled and contributing in more than one category and you reported all or part of the hours and earnings to both categories?
- Were previous year's retroactive contract settlements reported in the correct year?
- Are there duplicate entries?

Reference: Chapter 10 – WRS Administration Manual ET-1127

Online Network for Employers - <http://etfonline.wi.gov/etf/internet/employer/one.html>

## **Annual Processing FAQ's**

### **General**

**Q1) What is the importance of annual reconciliation?**

A1) The information you submit to ETF is the basis for your employee's future benefit. It is important for us to have accurate and complete information so we may provide all participants with an accurate WRS Statements of Benefits.

**Q2) What is ETF balancing/reconciling?**

A2) The sum of earnings reported on the Monthly Remittance Reports must equal the sum of the individual employee transaction earnings sent in throughout the year (for each employment category). The sum of Additional contributions on the Monthly Remittance Reports must equal the individual additional employee contributions. If there is any variance, ETF will be contacting you for resolution.

**Q3) How important is updating the WRS agent and contact information for annual reconciliation?**

A3) Very important! We maintain the contact list so that if we have any questions we know who to direct them to. We want to do our best to help solve any annual discrepancies to ensure an accurate statement of benefits.

**Q4) Are late reported earnings part of the annual reconciliation process?**

A4) No, invoices generated for Late Reported Earnings for previous calendar years are a separate process and not a part of the annual reconciliation process.

### **Corrections**

**Q5) I submitted a WRS enrollment for an employee but after printing the pre-annual report I noticed the employee's name/SSN is incorrect?**

A5) Employee's name/SSN changes cannot be made on the annual report by crossing out the name printed on the report and writing the new name. Please DO NOT resubmit the enrollment. You can make this type of descriptive data change by submitting:

- The change online via ONE's WRS Account Update Application.
- *Employee Identification/Correction Change* (ET-2810) – Refer to Chapter 6 of the *WRS Administration Manual* for instructions.

**Q6) I already submitted my annual transaction report and noticed there was an error on an employee's hours and earnings?**

A6) Before submitting a corrected transaction report, call the Employer Communication Center (608) 264-7900 or 1-888-681-3952. We will research the information you submitted and determine where the correct area is for you to send any corrections to.

**Q7) I already submitted my December monthly remittance report and discovered an error?**

A7) For employers who submit your Monthly Remittance Reports online: If the total amount of your corrections results in money owed, you may enter a December Supplemental Report online. If the total amount of your corrections results in a credit, please call Jim Krawczyk at (608) 266-3309. If you submit paper reports, please call Jim for assistance.

## **Reporting**

### **Q8) How are furlough days to be reported to the WRS? (applies to state agencies & UW only)**

A8) In short, state agency and UWS employers should continue to report earnings and service for WRS purposes as if the furloughs did not occur.

For WRS purposes, State and University of Wisconsin employers should combine deemed earnings with actual paid earnings on the Monthly Retirement Contribution Report. Retirement contributions must be paid on both the paid and deemed earnings. Similarly, deemed earnings must be included in the individual earnings and service reported for an employee on periodic transaction reports (i.e., terminations, corrections, etc.) and on the WRS annual service and earnings report.

### **Q9) What are Employee Required Contributions (EERC) and Benefit Adjustment Contributions (BAC)?**

A9) The columns labeled 'Employee Required Contributions' and 'Benefit Adjustment Contributions' are used only when you have actually deducted a contribution amount from your employee's paycheck.

These amounts cannot exceed the employee required and benefit adjustment contribution rates in effect for the reporting year. Do not use these columns to report total employee required and benefit adjustment contributions that you have paid on behalf of the employee.

### **Q10) Do I include decimals when reporting hours?**

A10) Hours of service performed between January 1 and December 31, of the reporting year, for which earnings were paid, should be rounded up to the nearest hour, if possible. If your payroll system produces reports with decimal equivalency, be sure the decimal is equivalent to the nearest one hundredth.

### **Q11) How should I report a military leave of absence?**

A11) For employees serving on military leaves of absence at year-end, report each leave as follows. In the event:

- You pay the employee during military leave as if the employee is working, or pay the employee the difference between their normal earnings and what they receive as military pay, or do not pay the employee during the leave but deem the earnings under the provisions of USERRA, report the earnings and hours as if the employee was working and receiving all earnings using Action Code 00.

**Note:** To satisfy the requirements of USERRA for WRS purposes, an employer must submit a copy of the employee's military leave and earnings statement (military papers) to ETF after discharge. This statement will list the dates of military entry and discharge.

- The employee is on an unpaid military leave of absence and you are not deeming the earnings under the provisions of USERRA for that employee report only the actual earnings and hours for the reporting year. Use Action Code 50 and indicate the Last Earnings Date. The Action Date should be left blank.

### **Q12) Should I include terminated employees on my annual report?**

A12) Do not report earnings and hours for terminated employees on the Annual Report if you have previously reported those hours and earnings at the time of their final earnings payment. If you have not previously reported any terminations in the reporting year, you may include the termination transaction when submitting the annual report online. If you are submitting a paper annual report please list terminations on a separate transaction report and attach it to your annual report. (Include only transactions that apply to the reporting calendar year.) Please refer to Chapter 9 section 903 for additional information on types of terminations.

**Q13) How should I report terminations at year end with earnings paid in January of the following year?**

A13) An employee terminating employment in December of the reporting year who is not paid final earnings until January of the following year must be reported as an active employee on the Annual Report using the "00" Action Code with the earnings (and corresponding hours) paid during the reporting year. In January of the following year, you will report the December termination date along with the earnings (and corresponding hours) paid in January.

**Q14) If I have fiscal year hours/earnings for an employee do I also complete the calendar year hours/earnings?**

A14) Yes. Transactions reported for fiscal year employees must include January through June fiscal year hours and earnings in addition to the reporting year calendar year hours and earnings if the fiscal year employee was active during the January through June period.

The following reminders apply to all employers with fiscal year employees regardless of the reporting method used:

- Fiscal year employees include teachers (employment categories 10 and 11), educational support personnel (employment category 12) and judges (employment categories 05, 07 and 08).
- January through June (fiscal year) hours and earnings must be less than or equal to the employee's calendar year hours and earnings.

**Q15) How should I report an employee who is receiving Worker's Compensation at year-end?**

A14) Employers must report hours and earnings and pay the corresponding contributions for any participating employee during any period they receive Worker's Compensation benefits. Earnings and hours must be reported as if the disability had not occurred. Report the employee as an active employee (Action Code 00) with the hours and earnings for the reporting year that the employee would have made if not for the disability. Once a permanent disability is determined or the employee terminates employment, the employer discontinues service and earnings reporting. Please refer to Chapter 5 section 505 for additional information.